

BANCO FINANTIA PROFITS €23.7 MILLION IN 2020**AND RAISES ITS COMMON EQUITY TIER 1 RATIO (CET1) TO 27.3%**

In 2020 Banco Finantia (www.finantia.com) strengthened its **financial soundness**, as measured by the Common Equity Tier 1 ratio (CET1), recording 27.3%, one of the highest CET1 ratios amongst European banks.

The **net profit** for 2020 was **€23.7 million**, a 34% decrease from the €36 million posted in 2019.

The **net interest income** reached €55.7 million, in line with the previous year (€55.8 million). **Financial transactions, commissions and other income** stood at **€19.3 million** (€39.6 million in 2019) and **operating income** reached **€51.4 million** before impairments and provisions, 31% lower than 2019 (€74.9 million). Impairments and provisions for the year increased to €2.7 million (€1.0 million in 2019).

Operating expenses were €23.8 million an 8% reduction compared with the 2019 figure (€26.0 million). Efficiency as measured by the cost-to-income ratio attained 46% at the end of 2020.

ROE (before taxes) reached 5.9% against 11% in 2019.

Customers' deposits attained **€950 million**, 1% more than the €940 million recorded in 2019. **Total assets** amounted to € 2,105 million as at 31 December 2020, a decrease of 2% from the previous year. **Total shareholders' equity** attained €479 million, an increase of 4% over 2019 (€462 million).

Despite the anomalous situation generated by the pandemic, resulting in a global recession, the Bank's conservative posture allowed it to reinforce its capital ratios.

In this context, the Bank will continue to assume a prudent stance, favouring the defence of the interests of its customers, shareholders, and employees.

In terms of business lines, the Bank will adapt its strategy to the evolution of the economic environment, focusing more on non-capital-intensive activities, fixed-income capital market transactions, financial advisory services, and Private Banking activities.

A merger process is underway to incorporate Banco Finantia Spain into Banco Finantia with the creation of a branch of Banco Finantia in Spain. The merger will make it possible to simplify the Group's organization and reinforce the quality of the services provided to customers in both countries. The process is expected to be completed in the last quarter of 2021.

Lisbon, 6 April 2021

Banco Finantia, S.A.

Lisboa – Rua General Firmino Miguel 5 1º 1600-100 Lisboa Portugal +351 21 720 2000 (Sede)

– Av. Fontes Pereira de Melo 14-14 A 1050-121 Lisboa Portugal +351 21 193 4070

Porto – Rua S. João de Brito 605 E 2º 4100-455 Porto Portugal +351 22 610 0927

finantia@finantia.com www.finantia.com

CONSOLIDATED INCOME STATEMENT

€ million

	31.12.2020	31.12.2019
Net interest income	55,7	55,8
Interest rate & FX hedging	(23,6)	(20,5)
Net interest income, net of hedging	32,1	35,3
Financial transactions, commissions and other income	19,3	39,6
Operating income	51,4	74,9
Impairments and provisions	(2,7)	(1,0)
Operating expenses	(23,8)	(26,0)
Profit before tax	24,8	47,8
Net profit	23,7	36,0

CONSOLIDATED BALANCE SHEET

€ million

	31.12.2020	31.12.2019
Assets		
Cash and banks	133,6	130,0
Fixed income and loan portfolio	1 894,3	1 983,3
Other assets	77,2	44,1
Total assets	2 105,2	2 157,3
Liabilities		
Customers deposits	950,0	939,6
MM takings and Repos	593,1	676,3
Other liabilities	83,3	79,1
Total liabilities	1 626,3	1 695,0
Total shareholders' equity	478,8	462,3
Total liabilities and shareholders' equity	2 105,2	2 157,3
CET1 ratio	27,3%	23,9%
Total Capital ratio	27,3%	23,9%

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